P.E.I.
Gov't. Pubs.

Industrial

PRINCE EDWARD ISLAND
INDUSTRIAL
CORPORATION

ANNUAL REPORT
for the fiscal year
ending March 31, 1967

101-07033/

TO HIS HONOUR
THE HONOURABLE W.J. MacDONALD, E.D.
Lieutenant-Governor of Prince Edward Island

MAY IT PLEASE YOUR HONOUR:

I have the honour herewith, for the information of Your Honour and the Legislature of Prince Edward Island, to present the Eighteenth Annual Report of the Prince Edward Island Industrial Corporation and the financial statements of the Corporation for the fiscal year 1966-67.

Respectfully submitted,

C. A. MILLER
Minister of Industry and Natural Resources

Minister of Industry and Natural Resources
Charlottetown
Prince Edward Island

Sir:

As directed by and on behalf of the Board of Directors of the Prince Edward Island Industrial Corporation, and as required under Section 10 of "The Prince Edward Island Industrial Corporation Act", I submit the Eighteenth Annual Report outlining the activities of the Corporation for the year ending March 31, 1967.

Up to and including the meeting of the Directors held on July 25, 1966, the Directors of the Corporation were as follows:

Hon. Lloyd G. MacPhail
Hon. Leo F. Rossiter
Hon. J. D. Stewart
Hon. A. B. MacRae
Mr. P. A. Murnaghan

Following a Provincial General Election, by Minutes in-Council of His Honour, the Lieutenant-Governor-in Council Nos. 698/66 and 727/66 dated August 3, and August 9, 1966 respectively, the follow--ing Directors were appointed in the place and stead of former Directors:

Hon. C. A. Miller, Chairman	vice Leo F. Rossiter
Hon. T. Earle Hickey	vice A. B. MacRae
Hon. Keir Clark	vice L. G. MacPhail
Mr. W. G. Barbour	vice J. D. Stewart

At a meeting of the Shareholders held on August 25, 1966, the following were named Officers of the Corporation:

President	Hon. C. A. Miller
Vice-President	Hon. T. Earle Hickey

During the period under review the Board met on twenty-one occasions to deal with matters coming before it.

Financing was approved for the expansion of seven facilities.

Mr. H. H. Bartlett was appointed Business Consultant for the Corporation. Mr. L. L. Baisley was appointed Administration Officer to supervise fishing operations of the Corporation early in the year.

The Corporation agreed to maintain pumping units and electrical gear of the water and sewerage installations set up by the Atlantic Development Board at Georgetown. A Maintenance Supervisor was appointed.

The financial plight of the Georgetown industries is a matter of continued concern and every avenue of approach is being explored to find some economically sound solution to this most distressing problem.

Forming a part of this report will be found the following:

1. Auditor's Report to the Shareholders
2. Auditor's Statement of Assets & Liabilities
3. Statement of Operations
4. Analysis of Expenditure.

Respectfully submitted on behalf of the Board.

L. S. Finley
Acting Secretary

AUDITOR'S REPORT TO THE SHAREHOLDERS

I have examined the Balance Sheet of the Prince Edward Island Industrial Corporation as at 31st March 1967 and the Statement of Income and Expenses for the year ended on that date and have obtained all the information and explanations I have required.

My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary under the circumstances.

The expenditure to date on Langley Fruit Packers Limited and Bathurst Marine Limited has been set at the amounts expended to 31st March 1967 as advised by the Provincial Treasury Department of Prince Edward Island and I have made no examination of the actual invoices comprising these amounts.

Accounts receivable valued at $1,073.25 were included in the figure of $434,371.22- the book value of net assets originally taken over from Souris Sea By Products Ltd. and Griffin Fisheries Ltd. As these accounts are apparently worthless and out of date, they have been written off in the year ended 31st March 1967. The remaining balance of $433,297.97 would appear to be much higher then actual worth. In lieu of depreciation, it is suggested that an appraisal could be made of the fair value of the plants and this figure written down to a more realistic valuation by a charge against the Capital Surplus on Acquisition presently shown at $420,777.15 on the Balance Sheet.

Subject to the above comments, in my opinion, the accompanying Balance Sheet of the Prince Edward Island Industrial Corporation presents the financial position of the Corporation as at 31st March 1967 and the results of its operation for the year then ended, according to the best of

my information and the explanations given to me and as shown by the books of the Corporation.

Arthur J. Garrett
CHARTERED ACCOUNTANT

Charlottetown
Prince Edward Island
January 17, 1968.

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

BALANCE SHEET AS AT 31st MARCH, 1967

A S S E T S

CURRENT ASSETS			
Accounts receivable (due from Provincial Treasury-previous year's deficit)		34,850.73	
Accounts receivable (dragger operations)	7,006.00		
Refund due on leased equipment payments for Bathurst Marine Industries	4,168.56	11,174.56	
Prepaid insurance (trawlers)		24,340.00	
Accrued interest on advances-			
P.E.I. Frosted Foods Ltd.	8,350.00		
Judson Packers Ltd.	17,809.46		
Seabrook Farms Frozen Foods Ltd.	13,716.00		
O'Leary Produce Co. Ltd.	7,065.06		
Stella Maris Atl. Ltd.	9,613.70		
Babineau Fisheries Ltd.	183.75		
H. C. Leavitt	208.35		
B. MacPherson Piggery	101.65	57,047.97	
CASH ON HAND AND IN BANK		83,109.86	
CURRENT PORTION ON LONG TERM LOANS			
Stella Maris Atl. Ltd.	11,250.00		
Seabrook Farms Frozen Foods Ltd.	50.000.00		
P.E.I.Frosted Foods Ltd.	37,500.00		
O'Leary Produce Co. Ltd.	4,500.00	103,250.00	313,773.12
Cost To Date To P.E.I. INDUSTRIAL CORPORATION ON SHIP HULLS			
# 7 Howe Bay		159,219.26	
9 Gulf Gull		191,920.32	
10 Gulf Gallant		188,432.35	
11 Gulf Guard		197.653.62	
12 Gulf Grenadier		456,740.75	
14 Gulf Gunn		440,717.38	
15 Gulf Gerd		411,070.74	2,045,754.42
HEAD OFFICE EQUIPMENT At Cost		3,586.37	
Less: Accumulated Depreciation		734.76	2,851.61

(forward)

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

BALANCE SHEET AS AT 31st MARCH, 1967.

FORWARD...

SOURIS PLANTS AND EQUIPMENT			
Book values of assets taken over from Souris Sea By Products Ltd. and Griffin Fisheries Ltd.		433,297.97	
Subsequent additions at cost		215,731.74	649.029.71.
			3,011,408.86
LONG TERM ASSETS			
P.E.I. Frosted Foods Ltd.			
5% First Mortgage	281,250.00		
Less: Current portion	22,500.00	258,750.00	
Deed of Further Charge (maturing 24th May 1977	35,000.00		
Accrued interest on deed	8,712.60	43,712.60	
Additional advances	206,975.01		
Less: Current portion	15,000.00	191,975.01	
		494,437.61	
Langley Fruit Packers Ltd. advances	1,199,844.17		
Accrued interest to 31st March 1967	205,698.96	1,405,543.13	
Lease Purchase Agreement (Seabrook Farms Frozen Foods Ltd.) Payable in 15 equal annual installments	750,000.00		
Less: Current installment	50,000.00		
	700,000.00		
Additional advances	250,000.00	950,000.00	
O'Leary Produce Co. Ltd advances	45,000.00		
Less: Current portion	4,500.00	40,500.00	
Gulf Garden Foods Ltd. Advances on construction	2,934,081.61		
Accrued interest to 31 st March 1967	284,524.78	3,218,606.39	
Judson Packers Ltd. advance		157,000.00	
Stella Maris Atlantic Ltd. advances to date	216,644.13		
Less: Current portion	11,250.00	205,394.13	

(forward)

LONG TERM ASSETS (Cont'd)

Bathurst Marine Ltd.			
Advances on construction	320,833.34		
Accrued interest to 31st March 1967	19,009.97	339,843.31	
H. C. Leavitt advances		13,500.00	
Babineau Fisheries Ltd. advances		15,000.00	
Bernard MacPherson (Piggery)		10.000.00	6,849,824.57
TOTAL ASSETS			$ 9,861,233.43

L I A B I L I T I E S

CURRENT LIABILITIES

Prepaid rent (Usen Fisheries)	1,333.34	
4% Mortgage Loan-Fishermen's Loan Board	725,820.60	
Accounts payable and accrued interest	56,974.23	
Provision for damages on Gulf Gunn (with held from subsidy payment	5,000.00	789,128.17

LONG TERM LIABILITIES

Bank Loan-Canadian Imperial Bank of Commerce (re Seabrook Farms Frozen Foods Ltd. advances)		800,000.00	
Bank Loan-Toronto Dominion Bank (re P.E.I. Frosted Food Ltd. advances		321,875.00	
Advances from Provincial Treasury Dept. to date on expenditures of Langley Fruit Packers Ltd. and Bathurst Marine Industries Ltd.	1,584,844.17		
Other cash advances to P.E. I. Industrial Corporation (including accrued interest of $ 253,425.75)	5,701,821.50	7,286,665.67	[illegible]
Bank Loans-Royal Bank of Canada		349,656.23	8,758,196.90
Total Liabilities			9,547,325.07

Capital Stock and Deficit

Capital stock authorized- 100,000 shares of no par value		$ NIL	
Common stock issued and paid up- 90,006 shares		45,003.00	
Capital surplus arising from acquisition at book values of net assets of Griffin Fisheries Ltd. & Souris Sea By Products Ltd.		420,777.15	
		465,780.15	
Less: Deficit			
Deficit- 31st March 1966	92,777.47		
Loss for the year	152,647.32		
	245.424.79		
Interest charges on ship construction (previous year) capitalized	58,702.27		
	186,722.52		
Refund due from Provincial Treasury of deficit of previous year	34,850.73	151,871.79	313,908.36
			$ 9,861,233.43

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 31st MARCH 1967

INCOME		
Rental of facilities- Souris Plants		16,000.00
Sundry income		160.73
Interest income (received and accrued to 31st March 1967)		
- Seabrook Farms Frozen Foods Ltd.	61,716.00	
- P.E.I. Frosted Foods Ltd.	22,193.62	
- Langley Fruit Packers Ltd.	66,984.20	
- Bathurst Marine Ind. Ltd.	21,135.22	
- O'Leary Produce Co. Ltd.	2,702.44	
- Judson Packers Ltd.	10,214.00	
- Gulf Garden Foods Ltd.	172.781.04	
- B. MacPherson (Piggery)	101.65	
- Babineau Fisheries Ltd.	208.35	
- H. C. Leavitt	183.75	
- Stella Maris Atlantic Ltd.	9,613.70	367,833.97
		383,994.70
EXPENSES		
Interest paid or accrued to 31st March 1967:		
Canadian Imperial Bank of Commerce (Seabrook)	47,745.20	
Toronto-Dominion Bank (P.E.I. Frosted Foods)	19,241.82	
Prov. Treasury (on advances to Langley Fruit & Bathurst Marine)	89,121.75	
Royal Bank of Canada	78,681.80	
Provincial Treasury (on cash advances)	196,491.51	
	431,282.08	
Head office expenses (statement attached)	15,916.47	
Souris Plant expenses	12,307.57	
Gulf Garden equipment leasing charges	11,693.37	
Accounts receivable (Cold Storage) written off as uncollectible	1,473.18	
Insurance on Gulf Garden Plants	18,097.87	
Georgetown water control	2,087.12	
Loss on Trawler operations (statement attached)	43,784.36	536,642.02
LOSS FOR THE YEAR		$ 152,647.32

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

STATEMENT OF TRAWLER OPERATIONS

FOR THE YEAR ENDED 31st MARCH 1967

(THREE MONTH'S OPERATIONS)

FISH SALES			91,988.16
Less: Expenses			
Maintenance and repairs			
- Hull	1,902.13		
- Engines	664.31		
- Winches	1,132.41	3,698.85	
Catching gear		31,120.18	
Other sundry equipment		2,970.96	
Fuel, oil and grease		19,129.75	
Ice and water		4,494.00	
Provisions and supplies		11,739.99	
Wages and unloading		4,680.46	
Miscellaneous and travelling		406.57	
Insurance		12,714.94	
Interest		9,787.46	
Crew Shares		35,029.36	135,772.52
LOSS TO 31st MARCH 1967.			$ 43,784.36

PRINCE EDWARD ISLAND INDUSTRIAL CORPORATION

31 st MARCH 1967

SCHEDULE OF HEAD OFFICE EXPENSES

Salaries	8,840.92
Office and stationery	1,005.50
Legal	3,333.85
Telephone	991.87
Rent	60.00
Sundry	184.33
Audit	1,300.00
Directors fee	200.00
	$ 15.916.47

SCHEDULE OF SOURIS PLANT EXPENSES

Insurance	6,132.40
Taxes	3,178.57
Consultant fee	1,839.60
Repairs	1,086.25
Sundry	70.75
	$ 12,307.57